



Nepal Sajhedari Bikaas: Partnership for Development Project

PROCUREMENT GUIDE

**Prepared by Pact, Inc. for the
United States Agency for International Development
Under Contract AID-367-C-13-00003**

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Introduction

Pact's mission is to enable systemic solutions that allow those who are poor and marginalized to earn a dignified living, be healthy, and take part in the benefits that nature provides. Pact accomplishes this by strengthening local capacity, forging effective governance systems, and transforming markets into a force for development. Pact's approach is results-oriented. It includes active involvement of stakeholders, building capacity at the grassroots level, and strengthening community-based networks.

Pact places work with local community at the center of its strategies to deliver its promise and accomplish its mission. Under contract #AID-367-C-13-00003, the United States Agency for International Development (USAID) has contracted with Pact for the management and administration of funds to strengthen local NGO capacities in strategic planning, leadership, organizational management, monitoring and evaluation (M&E), networking, advocacy, gender integration, media reform, and civic engagement through technical assistance, training, networking and funding. Throughout the life of the program Pact Nepal will be expected to procure services and commodities for the use of Pact as well as local partners. This procurement guide covers Pact's policies and procedures on procurement and administration of property in accordance with Federal Acquisition Regulation (FAR) and USAID Acquisition Regulation (AIDAR) and other USAID regulations and guidelines as required under the Sajhedari Contract between Pact and USAID.

1. SECTION I – GENERAL PROCUREMENT POLICY

1.1 What is procurement?

Procurement means the acquisition (i.e., “buying”) of goods, materials, and services by Pact. It includes purchasing, renting, leasing, and contracting for goods, materials, and services for the direct benefit or use of Pact or Pact’s partners. For purposes of this manual, the term “procurement” is synonymous with the term “acquisition”. Both terms are differentiated from the term “assistance” which has the principal purpose of transferring money, property, services, or anything of value to a recipient in order to accomplish a public purpose of support or stimulation.

The following table serves as a basic reference guide.

Procurement or Acquisition	Assistance
If the purpose is to “buy”.	If the purpose is to “provide support”.
The benefit goes to Pact as a result of Pact’s use of whatever is procured or acquired.	The benefit goes to the recipient of the support provided by Pact.
Pact is “purchasing” something from a vendor or supplier.	Pact is “giving” something of value to a recipient or grantee.
The award instrument is a purchase order, contract, or any other type of “buying” instrument.	The award instrument is a “grant” or a “subagreement”.

1.2. What is Pact’s general policy on procurement?

It is Pact policy to procure only those items that are necessary and allowable for a fair and reasonable price and, to the maximum extent practicable, fairly competed. Pact holds its staff and all its vendors and suppliers to the highest standards of integrity and ethics with regard to procurement. All procurement must be conducted with fairness and impartiality to ensure that Pact pays only fair and reasonable prices. In conducting procurement, Pact staff shall avoid any impropriety or appearance of conflict of interest. Under the Sajhedari project Pact will follow FAR/AIDAR regulations on procurement and USAID procurement standards as described in Contract AID-367-C-13-00003 for procurement of commodities and services both for Pact operations and well as for in-kind grants to local partners.

1.3. What is a fair and reasonable price?

A fair and reasonable price is that which does not exceed what would be paid by a prudent person in the conduct of competitive business.

1.4. Ethical Standard and Conflict of Interest Policy

Ethical standards apply to all Pact transactions whether related to acquisition (procurement) or assistance (grant). Pact applies the highest ethical standards to all transactions, regardless of their nature, by maintaining transparency with its partners and avoiding organizational and personal conflicts of interest. The Organization's employees must avoid conflicts of interest whether they are actual or only give the appearance thereof.

Ethical standards apply to all Pact staff and outsiders who may have access to proprietary information or may act on behalf of or represent Pact.

Conflict of interest: A conflict of interest occurs when an individual's or organization's other relationships, activities, or interests prevent full impartiality in the advice or assistance given to Pact. In the context of procurement, conflict of interest most often refers to a company or vendor gaining an unfair competitive advantage in the Request for Proposal (RFP) or bidding process.

Solicitation design/implementation boundary. No outside individual or organization should participate in the design of a procurement solicitation and then bid on it. This dual role creates a situation of bias, since there is an incentive for that party to develop a design that the same party is best positioned to implement.

Staff/subgrantee boundary. Pact personnel and representatives are prohibited from involvement in any Pact financial transaction that may have a direct or perceived effect on the employee's or representative's financial interests. This includes cases in which a Pact staff member or representative is seeking employment with an organization that he/she is evaluating on behalf of Pact.

Confidentiality of information. Both Pact's solicitation information and vendor information submitted in response to Pact solicitations should be maintained in strict confidentiality and made available only to those with a legitimate justification for access, as detailed below.

Solicitation information. An unfair competitive advantage is created when a potential vendor gains access to source selection information, which can occur directly through participation in RFP design or proposal evaluation, or indirectly through inappropriate conversations with Pact personnel.

Vendor information. Proposal information and other proprietary information received from vendors and potential vendors must be held in strict confidentiality and appropriately safeguarded from unauthorized disclosure. Such information should be disclosed only to Pact staff members, donor representatives, external evaluators, and other individuals who are directly involved in evaluation and selection process and are duly authorized by the Grants and Contracts Manager.

Additional Guidance. Pact Nepal staff members and representatives are encouraged to seek guidance and counsel from Pact HQ Legal Counsel for situations in which the standards may not be clear and the interests of Pact are best served by obtaining a second opinion to determine how the activities and actions of personnel could be interpreted by Pact partners, vendors, and donors.

2. SECTION II - SOURCE SELECTION PROCESS

2.1 What are the thresholds for competition?

Competition and Approval Requirement	Pact Nepal	Pact Headquarters (HQ)
No competition required.	Micro-purchases up to \$3,000; a lower micro-purchase threshold may be established by the Country Director. <i>Purchases should not be broken up to avoid competing the procurement.</i>	Micro-purchases up to \$3,000 per transaction. <i>Purchases should not be broken up to avoid competing the procurement.</i>
At least, three (3) written quotations must be obtained.	Above the micro-purchase threshold (e.g., \$3,000) to \$25,000.	Above \$3,000 - \$25,000.
The solicitation must be written and publicized to give opportunity to all responsible sources to compete.	Above \$25,000 - \$100,000	Above \$25,000-\$100,000
The solicitation must be reviewed, and approved by the Agreement Management (AM) team in Pact's Headquarters prior to release to the general public. The final procurement document must be reviewed, approved by AM inHQ and signed by appropriate HQ staff. USAID funded procurements above \$150,000 should be announced in the Procurement Information Bulletin (PIB) (see section 2.6).	Above \$100,000	Above \$100,000

2.2 What are the exceptions to the requirement for competition?

- (a) When only one responsible source ("sole source") and no other supplies or services will satisfy the requirement.
- (b) When the need is of such unusual and compelling urgency that Pact would be seriously injured unless the number of sources is limited or the requirement for competition is altogether waived. Contracting without competition shall not be justified on the basis of lack of advance planning or concerns related to funding (e.g., funds will "expire").
- (c) Only under these circumstances can non-competitive procurement be authorized by the country director and provided the amount of the procurement does not exceed US\$25,000. ***The prior authorization of the Director of Agreement Management***

(HQ) is required for sole source procurement above \$25,000. All non-competed procurements must be documented in the section for selection in the memorandum of negotiations with the following information:

1. Description of the procurement, including details of the goods and/or services to be purchased and the estimated value of the procurement.
2. Detailed explanation of the condition(s) justifying the exception.
Provide a cost analysis to support the determination that the contract price is fair and reasonable.

2.3 How many offers should I solicit?

For procurements over the micro purchase threshold, at least three (3), written quotations should be obtained for each procurement. More than 3 quotations may promote competition to a larger extent and provide more reliable price determination.

2.4 When are oral solicitations sufficient?

Oral solicitations are permissible when the total value of the procurement is not expected to exceed \$25,000, however written solicitations are preferable. Quotations should be received in writing whenever possible.

2.5 When are written solicitations required?

Written solicitations and quotations are required when the total value of the procurement is expected to exceed \$25,000.

Acceptable written quotations may be submitted in the form of pro-forma invoices on company letterhead, or written quotes on the letterhead of the vendor. If using email, the domain name must be the name of the vendor. Quotations received electronically must be printed and kept in the procurement file.

2.6 Why and how should I publicize the solicitation?

Inherent in the requirement to publicize is to give as many responsible sources as possible a reasonable chance of learning about the opportunity and to submit quotations. This can be achieved by using various communication media (newspaper advertisement, website postings, industry publications, bulletin boards, and others). Regardless of how the solicitation is publicized, the principal objective is to choose the most efficient means of dissemination in order to reach the pool of prospective respondents or offerors. The ultimate goal is to attract as many responsible sources to promote competition and, in turn, obtain the goods and/or services from a responsible source at the best price.

Procurement actions funded by USAID in excess of \$150,000 should be announced in a Procurement Information Bulletin (PIB) as required by Section 602 of the Foreign Assistance Act. The objective is to assist American small business to participate equitably in the furnishing of commodities and services financed with (USAID) funds made available under the Act.

To post a PIB, please contact your AM grants and contracts manager for details. PIBs should be posted 45 days in advance prior to placing any order or contract. At a minimum, a PIB

posting should give (a) a brief general description and quantity of goods or services required; (b) closing date for receiving quotations; and (c) address where the solicitation or specifications can be obtained.

2.7 What if I only get a single offer?

A single offer may be considered if the procurement officer can reasonably conclude that the offer was submitted by the only offeror with the expectation of competition from other potential sources. In other words, there was a reasonable expectation that two or more responsible offerors, competing independently, would submit offers in response to the solicitation. Further, that the offeror believed that (a) at least one other offeror was capable of submitting a responsible offer and (b) the offeror had no reason to believe that other potential offerors did not intend to submit an offer.

2.8 Who is a “responsible offeror”?

The term "responsible offeror" means a prospective contractor who:

- (a) has adequate financial resources to perform the contract or the ability to obtain such resources;
- (b) is able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and Government business commitments;
- (c) has a satisfactory performance record;
- (d) has a satisfactory record of integrity and business ethics;
- (e) has the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain such organization, experience, controls, and skills;
- (f) has the necessary production, construction, and technical equipment and facilities, or the ability to obtain such equipment and facilities; and
- (g) is otherwise qualified and eligible to receive an award under applicable laws and regulations.

2.9 Must I always choose the lowest priced offer?

Not always. Award can be made using a best value analysis.

2.10 What is “best value”?

Best value is the expected outcome of an acquisition that provides the greatest overall benefit in response to the requirement.

Pact can obtain the “best value” by using any one or a combination of source selection approaches. In different types of acquisitions, the relative importance of cost or price may vary. For example, in acquisitions where the requirement is clearly definable and the risk of unsuccessful performance is nominal, cost or price may play a dominant role in source selection. The less definitive the requirement, the more development work required, or the greater the performance risk, the more technical or past performance considerations may play a dominant role in source selection.

Two techniques are prescribed: (a) “tradeoff process” and (2) lowest price technically acceptable source. “Tradeoff” is the process wherein both price and non-price factors are

evaluated and award is made to the offeror that is determined to have the best value considering all of the factors. When using a tradeoff process, the following apply:

- (a) All evaluation factors that will affect the contract award and their relative importance shall be clearly stated in the solicitation; and
- (b) The solicitation shall state whether all evaluation factors other than cost or price, when combined, are significantly more important than, approximately equal to, or significantly less important than cost or price.

The “lowest price technically acceptable source selection process” is appropriate when best value is expected to result from selection of the technically acceptable proposal with the lowest evaluated price. When using this process, the evaluation factors that establish the requirements of acceptability shall be set forth in the solicitation. The solicitation shall specify that award will be made on the basis of the lowest evaluated price of proposals meeting or exceeding the acceptability standards for non-cost factors. Proposals are evaluated for acceptability only. Tradeoffs are not permitted.

3. SECTION III – TYPES OF PROCUREMENT INSTRUMENTS

3.1 How do I determine which procurement instrument to use?

Type of product or service	Purchase Order	Consultant Agreement	Contract/ Subcontract
<p>1) Purchase of a PRODUCT or material from commercial vendors (e.g., office supplies, equipment, commodities, and other off-the-shelf, tangible items) for the direct use and benefit of Pact in order to perform Pact’s work and correctly budgeted as “<i>Other Direct Costs</i>” in the award and/or overhead budget.</p> <p>Purchased orders may be issued and approved by Country Director without AM/HQ approval up to <u>\$100,000</u>.</p>	√		
<p>2) Purchase of SERVICE from companies or individuals, also collectively referred to as “vendors”, for non-programmatic, administrative, operational, and logistical requirements (e.g., translation, editing, graphic and printing services, equipment maintenance, repair work, janitorial services, security services, temporary help, and other routine, non-substantive ancillary services) for the direct use and benefit of Pact in order to perform Pact’s work and correctly budgeted as “Other Direct Costs” in the award and/or overhead budget.</p> <p>A purchase order, consultant agreement, or contract may be used depending on the nature of the work, pricing and payment structure and terms and conditions applied to the procurement.</p> <p>These may be issued in Pact Nepal approved by Country Director without further review or approval up to \$100,000.</p>	√	√	√
<p>2) Purchase of PRODUCT and/or SERVICE made by Pact for the direct use and benefit or on behalf of grantees as part of a grant (e.g., in-kind grants for the purchase of equipment or services) AND budgeted under/charged to the “Subgrant/Subaward” line item. Services provided as part of an in-kind grant can be both programmatic and non-programmatic.</p> <p>Important note: For in-kind procurements, there must first be a grant to a grantee for Pact to be able to purchase and pay on behalf of the grantee.</p>	√		

Type of product or service	Purchase Order	Consultant Agreement	Contract/ Subcontract
<p>3) Purchase of Professional Services of an individual independent contractor (referred to as a “consultant”) required to meet programmatic and/or organizational requirements. Requires specialized knowledge and skills in a particular field and often requires originality, creativity, and independent decision-making abilities. Services are intellectual and technical in nature for the direct use and benefit of Pact in order to perform Pact’s work and correctly budgeted as “Consultant Labor” in the award or overhead budget.</p> <p>Consultant agreements with cooperating country nationals (CCNs) and non U.S. nationals may be issued from the Nepal office and approved by the Country Director up to \$100,000. Consultant agreements with U.S. nationals (citizens and legal permanent residents) and, in some cases, third country nationals (TCNs) with payment in U.S. dollars from HQ can be prepared either locally or in conjunction with the designated regional Portfolio Team. The country director has the authority to approve the consultant agreements up to \$100,000, but must abide by all rules and regulations contained in the Contract AID-367-C-13-00003.</p>		√	
<p>4) An engagement that transfers to another business organization (i.e., corporation) partial responsibility for a programmatic effort (of a technical/specialized nature) that cannot be directly performed or provided by Pact.</p> <p>For the direct use and benefit of Pact in order to perform Pact’s work and correctly budgeted as “Subcontract” in the award and/or overhead budget.</p> <p>Important note: Performance of the work will require the effort of more than one individual and the contractor will be responsible for administrative and logistical support (e.g., making travel arrangements, providing in-country support, equipment, etc.). However, for business and other considerations, Pact may choose to provide administrative and logistical support to a contractor.</p> <p>Contracts with local business organizations or non U.S. businesses in the cooperating country can be issued from Nepal and approved by the Country Director up to \$100,000.</p> <p>Contracts with U.S. business organizations with payment in U.S. dollars from D.C. Office are to be done in conjunction with the respective HQ Team.</p>			√

Additional Notes:

- a) Under conditions 1, 2, and 4, Pact's overhead rate (30.0%) will be charged.
- b) Under conditions 3 and 5, Pact's subcontract handling rate (4.5%) will be charged.
- *c) Subcontract is the appropriate term when the prime award is a Contract. Under a cooperative agreement "contract" is the appropriate term. For the purpose of applying Pact's indirect cost rate, contracts under cooperative agreements and subcontracts under contracts will be charged the subcontract handling rate (4.5%).

4. SECTION IV – ADDITIONAL USAID REQUIREMENTS FOR PROCUREMENT

4.1 USAID Approval

In accordance with Section H. 30 of the Nepal Sajhedari contract all procurements of equipment with a unit cost of more than \$500 will require approval of the Contracting Officer.

4.2 Source and Nationality Requirements

In order to be eligible for USAID financing, goods and services must comply with requirements in 22 CFR 228.

“Source” means the country from which a commodity is shipped to the cooperating country or the cooperating country if the commodity is located therein at the time of the purchase.

“Nationality” of the supplier within the authorized geographic code is an additional eligibility criterion to the procurement rules. Nationality is defined as the place of legal organization, ownership, or lawful permanent residence of the suppliers of commodities and services.

4.3 Authorized Geographic Codes

This section sets forth the sources for procurement, which are normally authorized for USAID-financed transactions. USAID has established one presumptive authorized geographic code, Code 937 for the procurement of commodities unless otherwise specified in the implementing instrument. The geographic code specified for the Nepal Sajhedari Contract (#AID-367-C-13-00003) is 937. All eligible sources are organized by category and assigned a geographic code which indicates countries from where goods and services may be obtained if financed under a USAID award.

The commonly used geographic codes are the following:

Code 937 - The United States, the cooperating/recipient country, and developing countries other than advanced developing countries and excluding prohibited sources, a list of which are available in USAID’s Automated Directives System, ADS 310. All commodities must have been mined, grown, or produced in or shipped from a 937 country. The list of developing countries and advanced developing can be found here: <http://transition.usaid.gov/policy/ads/300/310maa.pdf>
<http://transition.usaid.gov/policy/ads/300/310mab.pdf>

Code 110 – includes the United States, the cooperating country and the independent states of the former Soviet Union, or a developing country, but excluding any country that is a prohibited source.

Code 935 - Commodities may be mined, grown, produced in, or shipped from any area or country including the cooperating country, but excluding the prohibited source

countries: A list of prohibited source countries can be found here:
<http://transition.usaid.gov/policy/ads/300/310mac.pdf>

4.4 Restricted Items

For USAID financed items, the procurement of the following items requires the prior written approval of the USAID Contracting/Agreement Officer. All requests for prior approval to procure a restricted item will be submitted by AM/HQ.

These are: (a) agricultural commodities (b) motor vehicles, (c) pharmaceuticals (d) pesticides (e) used equipment, (f) US Government –owned excess property and (g) fertilizer.

4.5 Special Rules Requiring Procurement from the U.S.

For USG financed commodities, the following categories require procurement from the U.S.: (a) agricultural commodities, (b) motor vehicles, and (c) pharmaceutical products. All requests for waivers for these commodities will be submitted by AM/HQ to the USAID Agreement/Contracting Officer.

4.6 Ineligible Items

The following are ineligible and may not be purchased with USAID funds under any circumstances. As a matter of policy, AM/HQ approval is required before purchasing any of the following even with non-USAID funds:

- (a) military equipment,
- (b) surveillance equipment,
- (c) commodities and services for support of police or other law enforcement activities,
- (d) abortion equipment and services,
- (e) luxury goods and gambling equipment, or
- (f) weather modification equipment.

4.7 Ineligible Suppliers

Pact may not procure from any firm(s) or individual(s) whose name(s) appear on:

- (i) The "Lists of Parties Excluded from Federal Procurement and Non-procurement Programs." <http://www.epls.gov>
- (ii) The master list of **Specially Designated Nationals and Blocked Persons** maintained by the Office of Foreign Assets Control (OFAC) of the U.S. Department of Treasury. The list is available online at <http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf>
- (iii) The master list of the **United Nations Security (UNSC) sanctions committee** (i.e., "1267 Committee") at <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>

To verify the status of prospective grantees against these lists, Pact staff should use the **MK Denial** database at: <https://www.mkdenial.com> or other databases that may be designated in the future.

Guidelines Related to MK Denial

Many governments, as well as the United Nations and World Bank, compile lists of individuals and entities who may use funds for terrorist-related activities. Pact currently uses the **MK Denial** database (available at: <https://www.mkdenial.com>) to perform searches of the above references lists.

MK Denial is a consolidated database that lists concerned, restricted, debarred, suspended and denied parties based on information coming from U.S. Government agencies, foreign governments, and international agencies. The database includes the following lists: Excluded Parties Lists System (EPLS), U.S. Department of Treasury, Office of Foreign Assets Control (OFAC), Specially Designated Nationals (SDNs), U.S. State Department Designated Terrorist, U.S. State Department Specially Designated Narcotic Traffickers, U.S. Treasury Department Money Laundering Concerns, U.S. State Department Sanctions for the Transfer of Lethal Military Equipment (LME), among others. Among the foreign governments and international agencies, the database consolidates European Union Sanction List, the UN Sanction List, United Kingdom Proliferator Concerns (UKPC), Swiss Restricted List, Australian Consolidated List, and the World Bank List of Debarred /Ineligible firms, among others.

It is imperative that Pact purchase goods and services in a manner that allows Pact to comply with all USG regulations and the broadest possible non-USG requirements. Thus, country offices should frequently search MK Denial before making a selection and a purchase or transfer of funds, and if payments are to be made in tranches, country office staff should periodically conduct MK Denial searches, especially, prior to making any disbursement of funds.

When A Search Must Be Conducted:

1. Documented Agreements and Contractual Relationships:
 - a. If a transaction is memorialized in writing then the vendor or party to the transaction or recipient of funds under the transaction (collectively referred to as the “vendor”) must be searched.
 - i. Examples: Service Contracts, Leases, Purchase Orders, Consulting Contracts, Subawards or Subcontracts
 - b. For any services Pact is purchasing on a repeat basis then the vendor must be searched.
 - i. Examples: Weekly cleaning services, internet providers
2. Non-incidental or Significant Purchases:
 - a. If the purchase is above an incidental value then the vendor must be searched.
 - i. Definition: a non-incidental purchase is anything above the incidental value threshold. This value differs by country and the calculation can be found in Appendix A. The calculation of the significant value threshold should be retained with the permanent financial records for each fiscal year.

- b. If the purchase of goods or services that are integral to the country office operations, irrespective of value, it shall be considered a non-incidental or significant purchase, and the vendor must be searched.
 - c. Examples of Non-incidental or Significant Purchases: furniture, telephone systems, generators, vehicle leases, conference facility rentals.
- 3. Suspected Terrorists or other Bad Actors:

Whether the purchase is incidental or non-incidental/significant, if anyone in the office has reason to believe a prospective vendor or any key personnel at the prospective vendor is involved in terrorist or other prohibited activities (such as drug-trafficking) then the vendor and its key personnel must be searched.
- 4. Action if Negative MK Denial Results.

If a vendor appears on an MK Denial search result, the country office should email HQ MK Denial with a copy of the search results and a brief description of the proposed vendor. A representative from either Risk Improvement or Agreement Management will contact the country office following a review of the search results with a determination of whether or not the country office may purchase goods or services from or transfer funds to such vendor. In the case of negative MK Denial search results, the country office may only proceed with purchase of goods or services from or transfer funds to such vendor upon express written approval from either a representative of Risk Improvement or Agreement Management.

How Frequently Should A Search Be Conducted?

There must be a written record of an MK Denial search or exclusion list checks for performed on each vendor prior to the purchase or engagement of services.

Preferred Vendor List.

- (a) Country offices have the option of reducing the number of times a vendor is searched by keeping a preferred vendor list. A preferred vendor list is a compilation of all vendors and individuals who have been checked on MK Denial within the previous six month period. Pact's six month reporting periods are January-June and July-December. A copy of the MK Denial results should be attached to the preferred vendor list.
- (b) Notwithstanding the preferred vendor list, if a country office during the six month period becomes aware of any fact or circumstance that may call into question any vendor or key personnel of any vendor on the preferred vendor list or paragraph 3(a) above applies, the country office shall promptly re-check that vendor and its key personnel. The country office must then verify that it is permissible to maintain the vendor on the preferred vendor list. If the vendor does not pass the MK Denial check at that time, the country office shall then follow the step listed above at paragraph 4 ("Action if Negative MK Denial Results"). If country office is notified pursuant to paragraph 4 above that it cannot proceed with the vendor due to the negative MK Denial Results, then the vendor shall immediately removed from the preferred vendor list. Once a vendor is removed from the preferred vendor list due to a failure to pass the MK Denial check, the country office shall seek to terminate any ongoing contractual relationship and stop future payments to the vendor, in accordance with the contract terms for termination and payments, and otherwise mitigate the loss due to such termination.

The following are the steps to access MK Denial:

- A. Email “HQ-MK Denial” to obtain your Username and Password to access the MK Denial database. You will then be contacted with the username and password.
- B. Access MK Denial website: <https://www.mkdenial.com>
- C. Click on Member Access and key in your country specific username and Password.
- D. Click on the words search/browse.
- E. You can look the name of an organization at single field search. Also, you can limit the search based on the criteria of the drop down menu. For example, it is best to start with a broad name search using just one or two words using the “contains” filter.
- F. To narrow down search results multiple field searches allow you to search for more specific terms and geographic locations. Use the drop down menu in each of the fields to set limits to your search.
- G. When you enter a name, and get positive results, the system will indicate which organization (UN, European Union, US Treasury OFAC, etc.) is denying or blacklisting the entity you searched.
- H. MK Denial keeps a record of all entries searched by specific country username. All records are archived by search date.
- I. Print out all search results, even if the search returns “no results” and maintain a copy in the country office records associated with the underlying transaction as well as a copy in the MK Denial written records of the country office.

The Memorandum of Negotiation should indicate that the grantee has been checked against MK Denial database and the findings of the search.

4.8 Waivers

Under USAID funded programs, if it is necessary to procure goods or services from a source outside of the authorized geographic code, a waiver must be obtained from USAID. Any waiver request must be based on one of the criteria listed in 22CFR228.30 Subpart D, “Waivers”. Waivers to Geographic Code 935 which are justified under paragraph (a) of this section may be authorized when:

- (a) Waivers to permit procurement outside of Code 937 or 110 must be based on a case by case determination that:
 - (1) The provision of assistance requires commodities or services of the type that are not produced in and available for purchase in Code 937 or 110, or;
 - (2) It is important to permit procurement from a country not specified in Code 937 or 110 to meet unforeseen circumstances, or;
 - (3) To promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives
- (b) Additional requirements. A waiver to authorize procurement from outside the United States of agricultural commodities, motor vehicles, or pharmaceuticals must also meet requirements established in USAID directives on commodity eligibility (see Automated Directives System Chapter 312.)

(c) Any individual transaction not exceeding \$25,000 does not require a waiver (excluding those covered by special procurement rules in section 228.19). In no event, however, shall procurement be from a non-Code 935 source.

All waivers need to be requested in writing. Waivers should be drafted by the appropriate the Pact grants and contracts manager and sent to the USAID AOR/COR and AO/CO for consideration and approval by the Mission Director

4.9 Office of Foreign Asset Control (OFAC) and Licensing

Pact is able to operate in Nepal under USAID's Office of Foreign Asset Control (OFAC) License SDGT-760f. The license allows Pact to engage in transactions in Nepal with the exception of transactions with the Communist Party of Nepal-Maoist ("CPN-(M)") which are restricted by OFAC. This license will be renewed each year by USAID and currently expires on February 28th, 2013. Note, in the event the license is not renewed or there is a gap in effectiveness Pact and its subcontractors may need to suspend in country transactions.

5. SECTION V - PROCUREMENT ADMINISTRATION

5.1. Authorizations for Procurement

Each Pact project is assigned a cost center number and a cost center manager who is responsible for managing the budget of the cost center. The prior written approval of the cost center manager must be obtained for any procurement of goods and services to be charged to the cost center.

While the cost center manager may authorize the procurement, only the Country Director may sign a purchase order or contract up to in accordance with the current Pact policy and Pact Authority Matrix. Questions regarding signature authority should be directed to the Director of Agreement Management/HQ.

5.2 Recommended Procurement Procedures for Property and Services

The following recommended procedures may be followed or adapted.

Approval of Requisition

5.2.1 The procurement process begins with the completion of a Purchase Request Form (the requisition) (see Attachment A) that will include the following:

- (a) Description of the item(s) including any special requirements/specifications. Items can be described in terms of generic or name brands. If a specific name brand is required, the name brand and justification must be included. Other information that should be included are: warranty requirements, user training, spare parts, maintenance and repair services, etc.
- (b) Analysis of the cost of buying versus leasing the item, if applicable.
- (c) Quantity required.
- (d) Place and date of delivery.
- (e) Evaluation criteria and process of evaluation.
- (f) Estimate of the cost of the goods or services. (This estimate is for internal use only and should not be shared with bidders.)
- (g) Confirmation from the cost center manager that obligated funds are available to cover the cost.
- (h) If required, any prior approvals or other authorizations from the donor related to the procurement.

Publicize Solicitation

5.2.2 After the approval of the cost center manager has been obtained, the solicitation process may begin. A procurement manager may be designated by the country director to carry out the procurement. A written solicitation should be prepared and publicized.

In preparing the RFP, the following should be included:

- Background of the program or activity that explains the need for the good or service.

- Scope of work and deliverables for services or a description of or specifications for commodities and any general and/or special terms and conditions associated with the procurement. Designation of a brand name must be justified, in writing, but description of items as brand name or equal is acceptable.
- Type of contract and payment method anticipated.
- For Commodity purchases or Service delivery containing multiple line items or position types, it is often useful to provide a Pricing Schedule or budget format to be followed by all bidders. This will ensure all pricing is consistent and will facilitate a quick review of the cost proposals.
- Timeline or required delivery dates, if applicable.
- RFP Conditions. Conditions that MUST be met before a proposal can be considered for evaluation include but are not limited to: deadline time and place for receipt of proposals; whether electronic submissions are acceptable; page limits; forms or certifications that need to accompany bids; requirement to use any pricing schedules or budget format included in the RFP; format for technical proposals; language requirement such as the proposal must be in English; etc. It is important to measure the importance of the conditions and keep these to the minimum required to ensure a disproportionate number of bids are not rejected..
- Vendor Qualifications such as being legally registered, able to accept payment by check, etc.
- Criteria that will be used to evaluate the bids
- Any donor-specific requirements, terms or conditions that Pact is required to “flow down” to sub-contractors.
- Detailed information about where and to whom RFPs must be submitted. Be sure to allow sufficient time for bidders to submit a thoughtful, well-prepared proposal
- Point of contact for questions/clarifications about the requirement. This will be the ONLY point of contact. If questions are going to be entertained, the RFP should state that telephone questions will not be accepted and only those questions received in writing or by email will be responded to. The RFP should also indicate how and when questions will be answered and disseminated to all bidders (i.e., via a web-site, by email to registered bidders, etc.)
- Inclusion of the following disclaimers is recommended:
 - Pact accepts no responsibility and is under no obligation to reimburse bidders for the costs associated with preparation of their proposal; and
 - Pact reserves the right to award to more than one bidder or to reject all bids and cancel the solicitation at any time. When applicable, Pact reserves the right to accept individual elements of a proposal and not accept the full complement of items or services offered.

Bidders’ prices should be guaranteed for a period of time for example, 30 or 90 days.

Evaluate, Negotiate, Select

5.2.3 Documentation of the selection process is critically important. After the closing date, evaluation by the selection committee may begin under the coordination of the procurement manager. He/she will take minutes to record the deliberations of the selection committee up to the point of selection, including negotiations with those in the competitive range and, finally, the vendor of choice. These minutes will serve as the source document for the memorandum of negotiations.

Approvals & Award

5.2.4 Prepare, approve, and sign the purchase order or contract.

5.3 Preferred Vendors

A vendor may be contracted for a one-year period through a competitive process for recurring purchases of goods/services (such as office supplies). A basic ordering agreement may be place with the selected vendor and delivery orders place under the agreement without having to individually bid each purchase. This method of contracting is recommended when recurring purchases are greater than \$3,000 or the local micro-purchase threshold set by the country director.

5.4 Funds Transfers for Procurement

Vendors will be paid based on the terms and conditions of their contracts or purchase orders. Some may be monthly payments, one-time payments, or payments based on a series of deliverables. Funds will be transferred from the corporate headquarters' bank account to Pact's country offices to cover immediate needs for the project operations and implementation after receiving the wire transfer request from the country office. The cash request is evaluated for reasonableness based on the country office's documented current cash balance, pending cash needs, cash burn rate, target cash levels and projected / budgeted expenses by category for the requested period.

Funds needed for daily project operations are requested from Pact DC on a monthly basis after the close of the month and after the completion of the financial reports. The time period and the frequency of the fund transfer request may be adjusted as needed if funds are required earlier and/or to maintain the minimal balance of working funds not to exceed two weeks of anticipated average operational expenditures as stated in Pact's cash management policy.

Funds for procurements for operations or for in-kind grants will be included in the cash request projections. The funds transfer request is prepared by the country office using the standard format provided by Pact DC and approved by the Country Director/COP or his/her designee. The country office funds request includes a number of supporting documents, including the country office cash projection worksheet (i.e. projected / budgeted expenses by category for the period), and supporting bank reconciliations, bank statements, check registers, balance sheet summaries and/or extracts of current cash account information to support the level of current cash on hand.

5.5 Procurement Filing System

For USG funded awards, Pact must keep original contracts and all supporting documentation for a period of not less than three years from the date final closeout date of the award that funded the procurement. For non-USG donors the time period for record retention may vary by donor and award

6. SECTION VI - PROPERTY MANAGEMENT

6.1. Classification of Property

6.1.1 Expendable Property

Pact classifies expendable property as an item that has an acquisition cost of no more than \$50 and often consumed during the life of the project such as office supplies. Expendable property is not recorded in the Pact Inventory Control List. In accordance with FAR/AIDAR expendable equipment or property is that which has a value of less than \$500.

6.1.2 Non-Expendable Property

Non-expendable property is defined as an item of equipment or furniture having a useful life of more than one year and a unit cost of more than \$50. Higher thresholds may be approved by AM/HQ upon submission of a justification. In accordance with FAR/AIDAR expendable equipment or property is that which has a value of \$500 or more and useful life of two years or more.

6.1.3 Capital Equipment

Under USAID assistance awards (i.e., cooperative agreements and grants), capital equipment is defined as non-expendable property that has a unit cost of \$5,000 or greater with a useful life greater than one year.

Under USAID contracts, capital equipment is defined as non-expendable property that has a unit cost of \$500 or more with a useful life greater than one year.

Non-US government donor agreements should be consulted to determine the definition of capital equipment. Absent any specific guidance in non-US government donor agreements, the applicable threshold will be a unit cost of \$5,000 or more and a useful life of more than one year.

Therefore, by the above definition, capital equipment is non-expendable.

Pact does not capitalize or depreciate donor-funded equipment. The cost of donor-funded equipment is recorded as an expense in the accounting system at the time of purchase.

6.2. Inventory Management Procedures for Expendable Property

6.2.1 Expendable Property

While expendable property is not recorded in the Inventory Control List, Pact Nepal officers must still ensure their proper use for official purposes and safekeeping.

6.2.2. Nonexpendable Property

The property must be entered into the Inventory Control List and tagged with an individual identification number for reporting and tracking purposes.

6.3 Inventory Control List

It is Pact policy to track all purchases of non-expendable property and equipment in an Inventory Control List. Semi-annually, Pact Nepal office must provide a complete inventory of all non-expendable property and equipment to AM/HQ for insurance and other reporting purposes. The list should include all property valued over \$100. Pact will report annually to USAID all equipment or property valued at \$500 or more.

The Inventory Control List must include the following information:

- Inventory tag number.
- Cost center number.
- Donor.
- Description of item: desktop, laptop, furniture, vehicle, etc.
- Designation as Business property or Computer Equipment. Capital equipment (yes or no).
- Make (brand).
- Model number (if applicable).
- Serial number (if applicable).
- Vendor Name.
- Purchase date (the date of the purchase order).
- Date entered in the Inventory Control List.
- Purchase price in local currency.
- Purchase price in USD (per the weighted average exchange for the month according to the finance system).
- Current fair market value in USD for Capital Equipment Only (updated at the time of final disposition).
- JE Number / Accounting Reference Number that ties the paperwork to the entry in the field office general ledger.
- Purchase Order Number.
- Condition - at time of the inventory cycle.
 - *Put 'new' at time of purchase. The description of the condition should be updated annually to reflect the current condition. The possible conditions can be: in good order, old but functional, broken, stolen, or lost.*
- Current location (main field office or other location in the field).
- Disposition Status.
 - *Items that are lost, stolen, or so severely damaged or worn that they are thrown out should be so noted in the Inventory Control List. At the end of the project, disposition will also indicate when these items are transferred permanently to Pact, to another USAID-funded project or to a local organization.*
- Warranty – effective date, expiration date, and source—whether a vendor or manufacturer warranty.

6.4. Verification of Inventory Control List

A physical inventory of property should be conducted once a year to verify the Inventory Control List. The nonexpendable property must be physically inspected and their condition and use verified (if in working order and being used for their authorized purpose).

6.5 Insurance for Non-Expendable Property

Pact Nepal must comply with insurance coverage requirements in accordance with local law and Pact policies. Pact HQ maintains an overseas insurance policy that may cover field office contents when reported on the CRM database in the form of an Asset Register/Inventory Control List. In most cases, office items on these lists are covered by Pact's insurance policy. To ensure coverage, Pact Nepal will be required to report this information on a semi-annual basis. Quarterly updates may be requested in some instances and all offices are required to submit their Asset Registers / Inventory Control List to HQ whenever there is significant new procurement of non-expendable items. Noncompliance may result in lack of or loss of coverage.

Motor vehicles, including cars and motorcycles, require locally purchased insurance. This insurance should include liability, third-party and comprehensive property damage, and bodily injury. Limits should be in accordance with those specified under local law. Proof of locally purchase insurance is to be reported on the CRM system as this insurance must be in place before Pact's supplemental liability insurance will apply.

6.6. Lost, Damaged or Stolen Property

If any non-expendable equipment is lost, damaged or stolen, the country director must be notified immediately in writing with a copy the program officer in HQ. Stolen property must also be reported to the police in order to obtain a written police report for insurance and record purposes. The Inventory Control List must be updated for any lost, damaged or stolen items.

6.7. Property Ownership and Disposition

Under the Sajhedari project, property over \$500 is titled to USAID or the cooperating country at USAID's designation.

A list of non-expendable property must be maintained and reported to USAID annually. For any equipment with a current, fair market value of \$500 or more, USAID will provide disposition instructions at the end of the project.

Non-expendable property and equipment from non-US federal donors are subject to the terms of the donor agreement for property and equipment. Any questions on disposition of property should be referred to Agreement Management in HQ.

6.8 Determination of Fair Market Value

Fair market value is the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, and both having reasonable knowledge of the relevant facts.

Example. If you receive a used motorcycle, the FMV would be the price that typical buyers actually pay for motorcycles of this age, condition, model, and use.

Factors. In making and supporting the valuation of property, all factors affecting value are relevant and must be considered. These include:

- The cost or selling price of the item,
- Sales of comparable properties,
- Replacement cost, and

- Opinions of experts.

Determining Fair Market Value

Determining the value of donated property should not rely only on fixed formulas, rules, or methods. For example, donated furniture should not be evaluated at some fixed rate such as 15% of the cost of new replacement furniture. When the furniture is contributed, it may be out of style or in poor condition, therefore having little or no market value. You must consider all the facts and circumstances connected with the property, such as its desirability, use, and scarcity. More information on determining FMV can found at:

<http://www.irs.gov/publications/p561/ar02.html#d0e139>

7. SECTION VII - CONSULTANTS

Consultants and their rates must be approved in advance and in writing by USAID COR and CO for the Sajhedari project. In accordance with section H.15(3) prior to hire Pact shall submit completed signed biodata/sheets (form 1420-17) for technical approval by the COR and daily rate approvals by the Contracting Officer for professional short-term employee and STTA consultant proposed for hire under this project. Rates that are not over 5% of the individual's highest salary or daily rates that do not exceed the highest rate of compensation received by the consultant for comparable work during any full year of the immediately preceding 3 years do not require CO approval.

7.1. US Nationals (USN)

US national means an individual who is a US citizen or a non-US citizen lawfully admitted for permanent residence in the United States. All US nationals must be contracted through Pact HQ. HQ vice presidents have been delegated the authority to sign consultant agreements with USNs. Requests for USN consultant agreements should be sent to the HQ program officer who will review and submit the agreement for signature.

Further approval by the Contracting Officer is required in the following circumstances:

- a) The daily rate exceeds the prevailing maximum salary for Senior Executive Service (SES) for 2011 or \$635.77 per day; or
- b) The daily rate exceeds a 5% increase to the historically established daily rate as reflected on the consultant's biodata form.

Consultant agreements and modifications that require further approval by the Contracting Officer must be supported by a justification of the proposed daily rate above SES or 5% increase. The Cost Center responsible for payment of the service(s) ordered must also certify in the justification that there are sufficient obligated funds to cover the full cost.

7.2. All Other Consultants

All "other" consultants are either Third Country Nationals (TCNs) or Cooperating Country Nationals (CCNs). CCN means an individual who is a citizen of the cooperating country or an individual of another citizenship and lawfully admitted for permanent residence in the cooperating country. (Cooperating country means a foreign country in which the program or activity is being implemented by Pact.) TCN means an individual who is neither a cooperating country national or a US national, but is a citizen of a country included in USAID geographic code 935.

In accordance with section H.15 of the Contract, TCNs and CCN rates must conform to the Local Compensation Plan (LCP) in Nepal. Rates that exceed the local compensation plan for TCN and CCN consultants must be approved in advance and in writing by the USAID Contracting Officer

7.3 Point of Hire

USNs must be contracted through Pact HQ. Requests for USN consultant agreements should be sent to the HQ program officer.

All other consultants (non-USNs) may be contracted directly from the field office up to \$100,000. Customized local consultant agreement templates must be approved by AM/HQ and must contain the following information:

1. Name, address, phone number and email of consultant.
2. The name of the Pact employee to whom the consultant will report including title, phone number and email contact.
3. Cost center to which the expenditures will be charged.
4. Location where the work will take place.
5. Scope of Work that includes 1) a description of the “Purpose” of the activity, including the work plan goal that it fulfills; 2) an explanation of the “Specific Task”, i.e., the activities that the individual is expected to carry out; 3) a detailed list of the “Deliverables” that Pact will receive. A deliverable is a physical product (not to be confused with an action that is described in the “Specific Task” paragraph). Payment is conditioned upon receipt of deliverable(s). Each deliverable should be assigned a due date.
6. The start date and end date of the consultancy. The consultant is only authorized to work within those dates, and not before or after, without an extension of their agreement or authorization to incur pre-award costs. Any special concessions associated with the period of performance such as authorization to work more than five days per week or ability to work outside normal work hours should be specified.
7. Consultant Rate supported by a signed bio-data form. Rate must not be higher than 5% above the last highest rate for a year-long consultancy.
8. Number of work days for the consultancy.
9. Specify what costs will be paid directly and provided to the Consultant (i.e., a plane ticket, accommodations) versus what the consultant will incur and be reimbursed for. (Please note: due to Fly America restrictions on USG awards, to avoid inadvertent purchase of business class tickets, and to use preferred airline vendors, Pact’s policy is to procure airline tickets directly rather than reimburse the consultant unless this is not possible due to special circumstances.) For USG awards, it is also important to understand that international travel for consultants is also subject to prior approval. Ensure that the international travel is approved before tickets are purchased.
10. Specify the advance amount that the consultant may be provided. Advances for projected travel costs and other direct costs may be provided but advances on labor costs are not allowed.
11. Provide Consultant bank account information to wire payments, if applicable.
12. Current CV.
13. Current, signed biodata form. This includes personal details, citizenship, educational background, employment and consultancy history, language qualification, and previous salary and consultant rates. The salary or consultant rate history provided on this form is one method (but not the only way) to negotiate a consultant’s rate. This biodata form must be completed in full (no boxes to be left blank). It is particularly important that contact names and telephone numbers are included to verify salary history. The consultant’s signature is also required in order to proceed with negotiations. See Appendix B for a sample Biographical Data Form.

7.4 Establishing Daily Rates:

7.4.1 Use of salary or consultant rate history (i.e., the “biodata sheet” method)

The use of an individual’s salary or consulting rate history can be a good reference point for determining a current consulting rate but should not be the only basis in making a determination. Whether or not an individual’s salary/rate history is used as a basis for this determination, the proposed rate must still pass the test of reasonableness. A rate is reasonable to the extent that it is comparable to that paid for similar work in the labor markets in which Pact competes for the kind of individuals involved.

A more appropriate basis for determining a reasonable consultant rate is the prevailing market for the service being procured. A strict application of the 3-year salary history methodology overlooks due consideration of market factors as well the technical requirements of the work to be done.

In determining how much the work should cost (priced according to a consultant’s daily rate), the work to be performed should be assessed, not solely the salary/rate history of the person proposed for the position. An objective assessment of the work may justify the proposed salary based on market value instead of salary history alone. Salary history need not prevail over market value.

In those cases where an individual’s salary/rate history falls below the market value of the job, but where there is agreement that the candidate meets the education, experience, and other relevant qualification factors for the position and there is no reason to doubt the validity of the market value established for the job, the market value should be paid. The crucial point in this process is the establishment of a realistic and reasonable market value for a given job.

Within the concept of fair market value, it is not always appropriate to automatically increase an individual’s consultant rate by 5% increments for each year that has passed since the individual’s rate was adjusted.

Example: If an individual has an established rate of \$300 for writing annual reports and an established rate of \$500 for economic forecasting services and Pact wishes to hire this consultant to write its annual report, the \$300 rate should serve as the basis for negotiations. Pact should use as a reference the rate that is most relevant to the service that will be provided.

For rate calculation, Pact uses a 260-day work year.

When there is a justifiable reason for paying more than the previously established rate, a justification on how a consultant rate was arrived at must be documented in the file. The justification should include:

- a. How the person was identified and determined to be the most qualified individual. What actions were taken to find the consultant with the relevant skill set Pact needs.

- b. What skill set does the consultant possess to carry out this scope versus other consultants you considered.
- c. Explain the breakdown of the consultant's compensation package and the source of that information.

7.4.2 Adjustment for “fringe benefits-like” costs

An adjustment to the individual's consultant rate may be considered to account for those types of costs normally attributed to “fringe benefits” such as health insurance, social security taxes, etc. Pact's policy is to apply a fringe rate commensurate with that paid to Pact staff performing similar work.

Example: An individual's daily rate would be \$370/day calculated as follows: \$74,000 (annual salary in previous year) x 30% (fringe benefit rate of \$22,200) \$96,200. $\$96,200 / 260 = \370 . If the individual has a year or more of salary at the current level, a 5% increase may be added (optional) which would bring the consultant daily rate to \$388.

7.5. Deliverables

Consultant agreements based on deliverables must specify clearly defined work products and submission deadlines both of which should be incorporated in the scope of work. Consultants should be provided with the following forms as part of their consultant agreements.

- (a) Consultant Invoice
- (b) Consultant Expense Reconciliation Form

7.6 Consultant Document Checklist

Pact staff will ensure the following documentation is collected and on file for each consultant:

- ☐ CV/Resume
- ☐ Signed Biodata
- ☐ Proof/Verification of Salary (to support biodata verification)
 - Proof should come in the form of signed contract (which includes rate) from previous consultancy(s) or paystub from previous employer(s)
- ☐ Signed Consultant Agreement (includes the below)
 - Approved SOW
 - Memo of Negotiations (when applicable)
- ☐ Client Approval/travel clearance (when applicable)
- ☐ Verification of EPLS/MK Denial print out
- ☐ Emergency Locator Form
- ☐ Conflict of Interest Certification
- ☐ Instructions on how to submit invoice and backup documentation needed
- ☐ Travel & Expense Report (when applicable)
- ☐ Completed W-8 or W-9 (applicable to US/Green Card holders)
- ☐ Statement of Physical Fitness (when applicable)

Appendix A

PURCHASE REQUEST

Requestor: _____ Date of Request: _____
Requestor Supervisor: _____ Date Required: _____

Estimated Amount of Purchase: _____

Type of Purchase (Check One):

☐ Equipment

☐ Supplies

☒ Other (Please specify: _____)

Description of Item and Quantity :

Verification of Availability of Funds:

Finance Manager

Date

Approval for Purchases less than USD _____ :

Operations Manager

Date

Approval for Purchases USD _____ or greater:

Operations Manager

Date

and

Cost Center Manager

Date

*** All purchases over US \$3,000 require a minimum of three written quotations before a purchase can be made.**

*** All purchases over US \$25,000 must undergo an open bid before a purchase can be made.**

Attachment B: Biodata Form



OMB Control No. 0412-0520; Expiration Date: 02/28/2014

CONTRACTOR EMPLOYEE BIOGRAPHICAL DATA SHEET						
1. Name (Last, First, Middle) M.				2. Contractor's Name		
3. Employee's Address (include ZIP code)				4. Contract Number		5. Position Under Contract
				6. Proposed Salary		7. Duration of Assignment
8. Telephone Number (include area code)		9. Place of Birth		10. Citizenship (If non-U.S. citizen, give visa status)		
11. Names, Ages, and Relationship of Dependents to Accompany Individual to Country of Assignment						
12. EDUCATION (include all college or university degrees)				13. LANGUAGE PROFICIENCY (see instruction on Page 2)		
NAME AND LOCATION OF INSTITUTION	MAJOR	DEGREE	DATE	LANGUAGE	Proficiency Speaking	Proficiency Reading
					5/S	2/R
					2/S	2/R
					2/S	2/R
14. EMPLOYMENT HISTORY						
1. Give last three (3) years. List salaries separate for each year. Continue on separate sheet of paper if required to list all employment related to duties of proposed assignment.						
2. Salary definition – basic periodic payment for services rendered. Exclude bonuses, profit-sharing arrangements, commissions, consultant fees, extra or overtime work payments, overseas differential or quarters, cost of living or dependent education allowances.						
POSITION TITLE	EMPLOYER'S NAME AND ADDRESS POINT OF CONTACT & TELEPHONE #			Dates of Employment (M/D/Y) From To		Annual Salary Dollars
15. SPECIFIC CONSULTANT SERVICES (give last three (3) years)						
SERVICES PERFORMED	EMPLOYER'S NAME AND ADDRESS POINT OF CONTACT & TELEPHONE #			Dates of Employment (M/D/Y) From To		Days at Rate Daily Rate In Dollars
16. CERTIFICATION: To the best of my knowledge, the above facts as stated are true and correct.						
Signature of Employee					Date	
17. CONTRACTOR'S CERTIFICATION (To be signed by responsible representative of Contractor)						
Contractor certifies in submitting this form that it has taken reasonable steps (in accordance with sound business practices) to verify the information contained in this form. Contractor understands that USAID may rely on the accuracy of such information in negotiating and reimbursing personnel under this contract. The making of certifications that are false, fictitious, or fraudulent, or that are based on inadequately verified information, may result in appropriate remedial action by USAID, taking into consideration all of the pertinent facts and circumstances, ranging from refund claims to criminal prosecution.						
Signature of Contractor's Representative					Date	

INSTRUCTION

Indicate your language proficiency in block 13 using the following numeric Interagency Language Roundtable levels (Foreign Service Institute Levels). Also, the following provides brief descriptions of proficiency levels 2, 3, 4, and 5. "S" indicates speaking ability and "R" indicates reading ability. For more in-depth description of the levels refer to USAID Handbook 28 or superseding policy directive.

2. Limited working proficiency

S Able to satisfy routine special demands and limited work requirements.

R Sufficient comprehension to read simple, authentic written material in a form equivalent to usual printing or typescript on familiar subjects within familiar contexts.

3. General professional proficiency

S Able to speak the language with sufficient structural accuracy and vocabulary to participate effectively in most formal and informal conversations on practical, social, and professional topics.

R Able to read within a normal range of speed and with almost complete comprehension of a variety of authentic prose material on unfamiliar subjects.

4. Advanced professional proficiency

S Able to use the language fluently and accurately on all levels normally pertinent to professional needs.

R Able to read fluently and accurately all styles and forms of the language pertinent to professional needs.

5. Functional native proficiency

S Speaking proficiency is functionally equivalent to that of a highly articulate well-educated native speaker and reflects the cultural standards of a country where the language is natively spoken.

R Reading proficiency is functionally equivalent to that of the well-educated native reader.

PAPERWORK REDUCTION ACT INFORMATION

The information requested by this form is necessary for prudent management and administration of public funds under USAID contracts. The information helps USAID estimate overseas logistic support and allowances, the educational information provides an indication of qualifications, the salary information is used as a means of cost monitoring and to help determine reasonableness of proposed salary.

PAPERWORK REDUCTION ACT NOTICE

Public reporting burden for this collection of information is estimated to average thirty minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to:

United States Agency for International Development
Office of Acquisition and Assistance
Policy Division (M/OAA/P)
Washington, DC 20523-7100;

and

Office of Management and Budget
Paperwork Reduction Project (0412-0520)
Washington, DC 20503

Appendix C

The calculation of the incidental purchase threshold is determined by price levels in each country. Prior to every fiscal year, the field office finance manager must determine their country's incidental purchase threshold. This determination is based on 1) an average cost of specified basket of goods ("Average Cost") and 2) placing this average into a threshold class (an "MK Denial Threshold Class").

For purposes of calculating the MK Threshold Class for FY2013, the costs for following basket of goods were surveyed across countries:

- A full tank of gas (for a car)
- Round trip taxi fare for one within city limits
- Consumable supplies for the office kitchen and cleaning (used in one week)
- Lunch for one person at a moderate restaurant
- Ad hoc office supplies, those supplies not ordered regularly through a supplier (per transaction)

Based on the results of surveying the costs of the above basket, an Average Cost was calculated, as reflected in the below chart. Using the Average Cost, an incidental value threshold was assigned to each MK Denial Threshold Class ("Incidental Value Threshold"). The following chart breaks down the Incidental Value Threshold amounts that correspond to each MK Denial Threshold Class.

MK Denial Threshold Class	Average cost of basket	Incidental Value Threshold
A	\$0 - \$37.50	\$25
B	\$37.51 – \$62.50	\$50
C	\$62.51 - \$87.50	\$75
D	\$87.50 or greater	\$100

Therefore, based on the above calculation of Average Cost and values assigned to MK Denial Threshold Class, Incidental Value Thresholds were assigned to each country. Each country office should take note of the Incidental Value Threshold applicable to their respective country. For any purchase *above* the Incidental Value Threshold, that purchase should be considered non-incidental or significant and the guidelines for conducting an MK Denial search should be followed by the country office.

The FY 2013 Incidental Value Thresholds are as follows:

Country Name	Incidental Value Threshold	Mk Denial Threshold Class
Thailand	\$25	A
China	\$25	A
Myanmar	\$25	A
Vietnam	\$25	A
South Sudan	\$25	A
Ukraine	\$25	A

Lesotho	\$75	C
Swaziland	\$50	B
Malawi	\$50	B
DRC	\$50	B
South Africa	\$100	D
Tanzania	\$50	C
Namibia	\$50	B
Madagascar	\$100	D
Nigeria	\$25	A
Zimbabwe	\$75	C
Rwanda	\$75	C
Kenya	\$100	D
Cambodia	\$25	A
Ethiopia	\$100	D

Exception:

Notwithstanding the above thresholds, utilities such as electricity, water, gas, purchased from state or municipal government entities are exempt from the MK Denial check requirement irrespective of the cost of those utilities.